

Message Text

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ACTION COME-00

INFO OCT-01 ARA-06 ISO-00 SP-02 AID-05 EB-07 NSC-05

CIEP-01 TRSE-00 SS-15 STR-01 OMB-01 CEA-01 FRB-03

XMB-02 CIAE-00 DODE-00 INR-07 NSAE-00 PA-01 USIA-06

PRS-01 /065 W

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R 121537Z MAR 75

FM AMEMBASSY PORT OF SPAIN

TO SECSTATE WASHDC 7501

LIMITED OFFICIAL USE PORT OF SPAIN 0572

E.O. 11652: N/A

TAGS: BEXP EIND TD

SUBJECT: IDC IRON AND STEEL PROJECT

REF: (A) STATE 52172; (B) POS 0097; (C) POS 2926, DECEMBER
18, 1974

1. FYI ONLY: NEITHER PRIME MINISTER WILLIAMS,
FINANCE MINISTER CHAMBERS, NOR IDC GENERAL MANAGER
WARNER HAVE VOLUNTEERED ANY COMMENTS ABOUT THE IDC
IRON AND STEEL PROJECT TO THE AMBASSADOR, DCM, OR
OTHER EMBASSY OFFICERS, EITHER DURING OR SINCE
THEIR TRIP TO THE UNITED STATES, DESPITE THE FACT
THAT THE AMBASSADOR RAISED THIS SUBJECT WITH THE PM
PRIOR TO HIS DEPARTURE FROM TRINIDAD (REF B). THE
ONLY EXPLANATION WE CAN ADVANCE FOR WARNER'S NON-
REPLY TO ARMCO'S DECEMBER 11 CABLE IS HIS APPARENT
CONVICTION THAT ARMCO WASN'T SERIOUS ENOUGH IN ITS
ORIGINAL APPROACH TO THE IDC LAST YEAR (REF C, PARA 3).
WE HAVE CITED TO WARNER JASPER'S VISIT AND
OTHER USG APPROACHES ON BEHALF OF ARMCO AS
EVIDENCE THAT ARMCO OBVIOUSLY IS SERIOUS ABOUT
THIS PROJECT, BUT HAVE NOT BEEN ABLE TO CHANGE
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HIS OPINION. THE REAL REASON FOR WARNER'S STATE-

MENT, OF COURSE, MIGHT BE THAT AS FAR AS HE IS CONCERNED, KORF WILL GET THE DEAL, BUT THIS VIEW IS NOT BORNE OUT BY PM'S STATEMENT BELOW. THE FOLLOWING IS A STATUS REPORT OF THE STEEL PROJECT, BASED UPON THE PRIME MINISTER'S RECENT STATEMENT TO PARLIAMENT ABOUT HIS TRIP. END FYI.

BEGIN UNCLASSIFIED

2. PM WILLIAMS TOLD PARLIAMENT MARCH 7 THAT HE HAD MET WITH SOME OF THE PRINCIPAL POTENTIAL PARTNERS IN THE PROPOSED IRON AND STEEL VENTURE IN TOKYO AND ORLANDO, FLORIDA, DURING HIS SIX-WEEK TRIP TO JAPAN, CHINA, INDONESIA AND THE U.S. COMPANIES INVOLVED REPORTEDLY ARE KORF, MITSUI, KAWASAKI AND ESTEL (THE LATTER DESCRIBED AS A DUTCH-GERMAN COMBINE). ACCORDING TO THE PM'S STATEMENT, SOME SHARP DIVERGENCES OF OPINION AROSE ON SEVERAL CRUCIAL ISSUES RELATED TO: A) THE PRODUCT MIX WITH PARTICULAR REFERENCE TO THE FINISHED STEEL SECTOR INSISTED UPON BY THE GOTT; B) THE IMPLEMENTATION PROGRAM; C) THE MACHINERY FOR IMPLEMENTATION; D) THE TIME TABLE; E) THE CHOICE OF PARTNERS; AND F) THE MACHINERY FOR AND TIMING OF THE SELECTION OF THE DIRECT REDUCTION PROCESS TO BE USED.

3. AS A RESULT, THE GOTT CABINET APPOINTED A COMMITTEE TO CONSIDER THE REPORT ON THE MEETINGS HELD DURING THE TRIP WITH REGARD TO THE IRON AND STEEL PROJECT, AND TO SUBMIT PROPOSALS TO CABINET ON THE COURSE OF ACTION WHICH GOTT SHOULD NOW TAKE IN CONNECTION WITH A SCHEDULED MEETING OF THE POTENTIAL PARTNERS TO BE HELD IN PORT OF SPAIN AT AN UNSPECIFIED DATE (PRESUMABLY LATER THIS SPRING). MEMBERS OF THE COMMITTEE ARE FINANCE MINISTER GEORGE CHAMBERS, MINISTER OF INDUSTRY AND COMMERCE ERROL MAHABIR, MINISTER OF PETROLEUM AND MINES FRANCIS PREVATT, IDC DEPUTY CHAIRMAN KENNETH JULIEN, AND IDC GENERAL MANAGER ELDON WARNER. END UNCLASSIFIED.

4. COMMENT: FROM THE TENOR OF THE ABOVE-DESCRIBED REMARKS, IT SEEMS OBVIOUS THAT THE VARIOUS PARTIES LIMITED OFFICIAL USE

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ARE STILL FAR FROM AGREEMENT ON THE STEEL PLANT. THE SPECIFIC MENTION OF PROCESS SELECTION AS ONE OF THE POINTS OF "DIVERGENCE" SUGGESTS TO US THAT THE GOTT INDEED HAS NOT YET FINALLY COMMITTED ITSELF TO THE KORF PROCESS. UNFORTUNATELY, ALL IDC STAFF MEMBERS CONCERNED WITH THIS PROJECT ARE OUT OF THE COUNTRY THIS WEEK, SO WE HAVE BEEN UNABLE TO OBTAIN THEIR READING OF THE SITUATION PORTRAYED

IN THE PM'S REPORT, NOT CAN WE DETERMINE THE TIMING
OF THE FORTHCOMING MEETING OF POTENTIAL PARTNERS.
WE WOULD SUGGEST, HOWEVER, THAT ARMCO RENEW ITS OFFER TO SEND
REPRESENTATIVES TO TRINIDAD TO DISCUSS FULL RANGE OF ARMCO
CAPABILITIES AS OUTLINED IN THEIR DECEMBER 11 CABLE. THIS TIME
THE CABLE MIGHT BE DIRECTED TO IDC DEPUTY CHAIRMAN KENNETH
JULIEN, AND ARMCO MIGHT SUGGEST THAT THEY SEND REPRESENTATIVES
TO MEET WITH THE IDC PRIOR TO THE SCHEDULED MEETING OF POTENTIAL
PARTNERS IN THE PROJECT.

FYI ONLY: CURRENT LABOR SITUATION IS DOUBTLESS OCCUPYING
FULL ATTENTION OF SENIOR GOTT MINISTERS WHO ARE MEMBERS OF THE
CABINET COMMITTEE FOR THE STEEL PROJECT, AND WE DO NOT BELIEVE
THAT THE EMBASSY CAN USEFULLY BRING ARMCO'S OFFER TO THEIR
ATTENTION AT THIS TIME. LIKEWISE, WE DO NOT RECOMMEND THAT
ARMCO OFFER TO SEND REPRESENTATIVES TO TRINIDAD PRIOR TO THE
EASTER HOLIDAYS (MARCH 28-31), NOR UNTIL AFTER THE OIL AND SUGAR
LABOR DISPUTES ARE RESOLVED. LABOR SITUATION IS FULLY DESCRIBED
IN SEPARATE EMBASSY REPORTING. END FYI.

MILLER

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